

**The
Crow's Nest
Pass Coal
Company
Limited**



**Fourteenth
Annual Report
1910**



THE CROW'S NEST
PASS COAL
COMPANY
LIMITED

FOURTEENTH
ANNUAL REPORT
1910



HEAD OFFICE — TORONTO, ONTARIO
MINES OFFICE — FERNIE, B.C.

BOARD OF DIRECTORS FOR 1911.

PRESIDENT,

ELIAS ROGERS,
President The Elias Rogers Co., Ltd.; President National Life
Assurance Co., Director Imperial Bank, Director
National Trust Company.

VICE-PRESIDENT,

E. C. WHITNEY,
President St. Anthony Lumber Co., Ottawa, Ont.

DIRECTORS,

JAY P. GRAVES,
Vice-President and General Manager Granby Consolidated
M. S. & P. Company, Spokane, Wash.

W. P. CLOUGH,
Vice-President Northern Securities Company, New York, N.Y.

H. B. MCGIVERIN,
Messrs. McGiverin, Haydon & Greig, Barristers, Ottawa.

W. H. ROBINSON,
Director Granby Consolidated M. S. & P. Company, Granby, Que.

DR. GOLDWIN HOWLAND,
Toronto

OFFICERS

Secretary.....R. M. YOUNG.
Assistant Secretary.....MISS L. M. KELLEY.
Treasurer.....ELIAS ROGERS.
Auditor.....J. G. LANGTON.

DIRECTORS' REPORT

The Directors beg to submit to the Shareholders their Fourteenth Annual Report, including Statement of Assets and Liabilities as of the 31st December, 1910.

The Balance at the credit of Profit and Loss Account, brought forward from 1909, amounted to \$156,025.12. The net profits from all sources of the operations for the year 1910 were \$178,925.16, making the total amount at the credit of Profit and Loss Account \$334,950.28. From this amount your Directors have paid two dividends of One per cent. each, or a total of \$124,216.00, and have carried forward to the credit of Profit and Loss, \$210,734.28 to 1911.

The coal mined during the year amounted to 1,209,762 tons. The coke produced during the year was 194,498 tons. The production of coal shows a steady and satisfactory increase each month over the corresponding months of 1909; the total increase for 1910 being 310,717 tons.

The amount spent on improvements during the year was \$144,314.48, as against \$215,839.15 the previous year. The amount charged to Mine Development during the year 1910 was \$19,316.29, as against \$98,115.37 in 1909, or per ton of coal produced .0160c. in 1910, as against .1091c. in 1909.

The Crow's Nest Pass Electric Light & Power Company, Limited, have paid to the Coal Company a dividend of \$18,000, and carried forward to the credit of Profit and Loss \$2,953.11. The Morrissey, Fernie & Michel Railway Company carried forward from 1909 a Loss of \$26,227.67. That loss has been made up during the year, and on the 31st of December, there was at the credit of Profit and Loss Account of this Company, \$11,296.81. During the year this last Company has paid off bonds amounting to \$13,871.28, which has reduced the amount of outstanding bonds to \$37,500.25 as of

December 31st. These bonds are \$1,155.94 each, payable monthly, and they are the only outstanding bonds against any of the Companies.

In the month of October, the slack coal bins at Fernie were partially destroyed by fire, interfering to some extent with coke operations. The bins were fully insured and the repairs are now nearing completion.

The agreement entered into by the Company with the Miners, April 1st, 1909, for two years, expires on April 1st next, and negotiations for a new agreement are now pending. It is hoped that a satisfactory agreement will be arrived at.

All of which is respectfully submitted.

ELIAS ROGERS,
President.

TORONTO, ONT., March 10th, 1911.

BALANCE SHEET 31st DECEMBER, 1910

ASSETS.

Mines, Real Estate, Plant Development, etc.	\$6,961,333.85
Less—Reserved for Depre- ciation, etc.	241,655.51
	<hr/> \$6,719,678.34
Securities Owned.	812,060.31
Accounts Receivable.	409,572.12
Cash on hand and in Banks.	2,569.38
	<hr/>
Total Assets.	<u><u>\$7,943,880.15</u></u>

LIABILITIES.

Capital Stock Paid Up.	\$6,212,666.66
Bills Payable.	1,184,399.74
Accounts Payable.	336,079.47
Profit and Loss.	210,734.28
	<hr/>
Total Liabilities.	<u><u>\$7,943,880.15</u></u>

ELIAS ROGERS,
Treasurer.

PROFIT AND LOSS ACCOUNT.

Year Ending 31st December, 1910.

Balance at credit 1st January, 1910.....	\$ 156,025.12
Net Profits from Coal and Coke Operations	83,800.17
Dividends on Securities Owned.....	18,054.00
Profits from Lands, Timber and Other Sources.....	77,070.99
	<u>\$ 334,950.28</u>

Appropriated as follows:—

Dividend No. 31, paid 5th Aug., 1910....	\$ 62,108.00
Dividend No. 32, paid 17th Nov., 1910...	62,108.00
Balance carried forward.....	210,734.28
	<u>\$ 334,950.28</u>

ELIAS ROGERS,
Treasurer.

Toronto, Ont., March 10th, 1910.

I have examined these Statements of Profit and Loss and of Assets and Liabilities, also the books and vouchers of The Crow's Nest Pass Coal Company, Limited, and find same correct.

J. G. LANGTON,
Auditor.

Accounting Office, Fernie, B.C., 21st February, 1911.

PROCEEDINGS
OF THE
FOURTEENTH ANNUAL GENERAL MEETING OF
SHAREHOLDERS

The Annual Meeting of the Shareholders of The Crow's Nest Pass Coal Company, Limited, was held in the Head Office of the Company, Toronto, on Friday, the 10th day of March, 1911, at 2.30 o'clock p.m.

The following Shareholders were present, representing 83 per cent. of the stock:

IN PERSON—

Norman Ainley
George Angus
Herbert T. Bailv
E. St. G. Baldwin
W. P. Clough
Wm. Crocker
James F. Edgar
H. W. Edgar
James Gunn
Ruliff Grass
John Hamm
Beverley Jones
Hon. Robert Jaffray
G. G. S. Lindsey

Mrs. Annie Manson
W. J. Morrice
Geo. H. McLaren
James K. Osborne
Alexander S. Purdy
Thomas Paterson
Elias Rogers
W. H. Robinson
S. C. Smoke
John Stark
Stuart Strathy
Thomas Walmsley
E. C. Whitney

BY PROXY—

Arthur L. Amys	Edith S. Hill
Jules E. H. Barth	H. Chippindale Higgin
Brown Bros. & Co.	Mark H. Irish
Hon. Geo. A. Cox	J. Langeloth
Samuel Crangle	Geo. Martin Luther
John D. Chipman	Solomon Lorie
E. P. Clarkson	E. T. Nichols
Geo. A. Chapman	Frank E. Maulson
John L. Davison	Jeanie J. J. L. Moberly
D. B. Dick	Mary Monteith
Murtle M. Ellis	Geo. A. Mackenzie
Catherine Odell Elwell	H. B. McGiverin
Estate of Samuel Finley	Major C. J. and Jos. Hunter
Elizabeth Folingsby	Osborne & Francis
R. T. Godman	Kate M. Perrin
Granby Consolidated Mining, Smelting & Power Co.	T. H. Purdom
F. J. Gunne	John Wm. Palmer
W. H. Goadby & Co.	F. B. Pemberton
James Gouinlock	C. C. Smith
Jay P. Graves	Fred H. Sykes
Henry J. Gardiner	Marion B. Smith
Lillie E. Gouinlock	Elizabeth Turner
James Henderson	Violet A. Tobin
Laura E. Howland	Nicholas Terhune
Jeffery Hale	A. W. Vowell
B. Hochschild	D. R. Wilkie
Hanson Bros.	E. R. Wood
William Hanson	Carrie N. Waterman
H. Spencer Holcroft	Thos. H. Whitehead
Harris, Cook & Co.	H. S. Walker
Christina M. Howell	James W. Woods
	H. Winnett

The President, Mr. Elias Rogers, having taken the chair, Miss L. M. Kelley was requested to act as Secretary.

The Minutes of the Thirteenth Annual Meeting of the Shareholders, held on the 11th of March, 1910, were taken as read, whereupon the President signed the same.

The Secretary then read the Fourteenth Annual Report of the Directors, and the accompanying Financial Statement.

Mr. E. C. Whitney, Vice-President of the Company, moved the adoption of the Report, which was seconded by Col. W. P. Clough.

THE PRESIDENT'S ADDRESS.

Mr. Rogers, in delivering the President's Address, said:

The coal mining industry in the Crow's Nest Pass, both in British Columbia and Alberta, where there is now an output of almost three million tons of coal, and over three hundred thousand tons of coke per year, is the result of the expenditure of capital and industrial organization within a little over the short period of ten years.

In the year 1898 only 8,986 tons were produced by this Company, and no other coal was shipped at that time from the district above referred to. In 1910 this Company alone produced 1,209,762 tons of coal, while seven other companies which have opened mines within the last few years, and are operating within about forty miles of this Company's property, produced during 1910, 1,699,379 tons.

From 1900 to 1910 inclusive, this Company has paid out in wages in British Columbia, \$16,209,788.99. Last year the Pay-roll was \$2,259,357.20. The Company also paid for plant and equipment from 1900 to 1910 inclusive, \$5,031,261.00. A considerable part of this last sum has been distributed throughout the Eastern provinces for machinery, etc. The coal tax paid to the British Columbia Government in 1910 amounted to \$75,469.40.

From these figures some idea will be had of the value of this industry to Canada, and especially to the Province of British Columbia, where the large expenditure in wages is made.

The Directors' Report, with the Statement attached, indicates the result of the past year's operations of this Company, and rightly understood, shows considerable progress. It is necessary, however, to say, that without explanation it is not possible for Shareholders to obtain an intelligent knowledge of the results of the mining operations, by comparison of the Annual Statements. The accounting is at present on quite different lines from what it was formerly, and besides this, there are other elements pertaining to the question of profits which have varied considerably. For instance, large profits were shown from the sale of townsites, at different times in former years. There was the Fernie town-

sitc, the Morrissey townsite, and the Michel townsite. In the Annual Statements, these profits, also profits from miscellaneous sources, are not distinguished from profits on coal and coke. Again, in former years, no account was taken of depreciation. This, perhaps, was not necessary, as the property was good enough to take care of it, and probably is still. However, in accordance with what is generally considered good mining practice, we are now charging to "Cost of Coal" all renewals and practically all development work, and in addition, are setting aside 10c. per ton on all coal mined, and 10c. per ton on all coke made, as a "Renewal and Depletion Fund." This was not done until about the middle of 1908 on coal, and on coke until 1910, and means that if the Statement now presented had been made up on the same lines as the statements prior to 1908, the showing would have been \$140,128.70 more profit than appears.

In 1910 quite as much development work was done as in 1907-8 and 1909. This has almost all been charged to "Cost of Coal," so that if the same charge per ton for development had been made to Capital Account in 1910 as in 1907-8 and 1909, about \$100,000.00 more would appear in this statement to the credit of Profit and Loss; or, in other words, the combined profits, if this statement had been made up as in former years, would be \$475,-359.34. This, with one exception (1905), is the largest profit ever shown by this Company in an Annual Statement, and leaving out land sales the best showing of any year.

Our hope for increased profits is in the reduction of costs. This we are making every effort to accomplish. We cannot increase our prices. We are now receiving over 25c. per ton more than the selling price in 1901, and since that time, as before indicated, other mines have been developed within a comparatively short distance of this Company's property, which are now producing nearly two million tons per year, and which they are selling at 25c. per ton below our present price. These mines are nearer the Montana market than we are, and have lower rates of freight on coal to all Eastern points than we have.

The removal of the duty on coke would be of great value to Canada. It will not mean as much to this Company as it would have done if the coke industry to the East of us had not been developed.

It should be remembered that in the original agreement entered into with the Canadian Pacific Railway Company, that Company had the right to select six sections of coal lands out of this Company's property, but were restrained from opening or operating mines for ten years. The time limit thus provided expired in 1907, and the C.P.R. began opening mines at Hosmer, between Fernie and Michel, where it had selected the six sections above referred to, and these mines are now producing over 900 tons per day. They have also over 100 coke ovens in operation. This, apart from the development to the East of us, is just that much out of the available market of the Crow's Nest Pass Coal Company. Fortunately, in consequence of our connection with the Great Northern Railway Company, we have been able to largely offset this loss of market, and have exported to the United States in 1910, 712,652 tons of coal, as against 333,529 in 1909, and 294,858 tons in 1908. Our export coke shipments, in consequence of the Alberta competition, have fallen off from 45,334 tons in 1909, to 9,734 tons in 1910.

The ultimate value of this Company's property is, beyond question, much greater than the present capitalization, but it is a matter of extreme regret that I cannot report a more hopeful outlook as to the immediate future. While there has been marked improvement in the conditions of the underground workings of the mines during the year 1910, it has not been possible to overcome altogether the adverse conditions resulting from earlier operations, and a certain amount of further re-development in nearly all of the mines will be necessary in order to put the operations on an up-to-date, economical basis. This can probably be done without seriously interfering with the present output.

It seems necessary to bring these facts thus briefly to your attention, and before submitting the motion for the adoption of the report, I would like to say that we are deeply indebted to the Officers and employees of the Company for their industry, zeal and fidelity, in consequence of which we are able to present this, under all the circumstances, to my mind, very satisfactory statement.

An opportunity was then given for any questions, after which the motion to adopt the report was put to the meeting and carried unanimously.

On motion of Mr. Wm. Crocker, seconded by Mr. James Gunn, Lt.-Col. J. G. Langton was appointed Auditor of the Company for the ensuing year.

On motion of Mr. W. H. Robinson, seconded by Mr. Thomas Walmsley, it was resolved that the thanks of the Shareholders are due and are hereby tendered to the Officers of the Company for their zeal and effective services in the interest of the Company during the past year.

On motion of Hon. Robert Jaffray, seconded by Col. W. P. Clough, Mr. Wm. Crocker and Mr. J. F. Edgar were appointed Scrutineers for the election of Directors.

The nomination of Directors for the ensuing year was then proceeded with, and on motion of Mr. J. K. Osborne, seconded by Hon. Robert Jaffray, it was resolved that the Chairman cast one ballot on behalf of the Shareholders and in favor of the names nominated as Directors of the Company for the ensuing year.

The Scrutineers reported the following gentlemen elected Directors for the ensuing year: Elias Rogers, E. C. Whitney, W. P. Clough, H. B. McGiverin, W. H. Robinson, Jay P. Graves and Dr. Goldwin Howland.

The meeting then adjourned.

At a subsequent meeting of the Directors, the following Officers were elected:

President	-	-	-	-	ELIAS ROGERS.
Vice-President	-	-	-	-	E. C. WHITNEY.
Treasurer	-	-	-	-	ELIAS ROGERS.
Secretary	-	-	-	-	R. M. YOUNG.
Assistant Secretary	-	-	-	-	MISS L. M. KELLEY.

**THE CROW'S NEST PASS
COAL COMPANY
LIMITED**

Capital Stock (Authorized)	-	\$10,000,000.00
Capital Stock (Subscribed)	-	6,212,666.66
Capital Stock (Paid Up)	- -	6,212,666.66

Stock Transfer Office
COMPANY'S HEAD OFFICE, TORONTO

Registrar
NATIONAL TRUST COMPANY, LTD., TORONTO.



